



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 13 2018 (ending 30/03/2018)

**“Knowledge and timber shouldn't be much used till they are seasoned.” – Oliver Wendell Holmes, Jr.**

**Irish retail sales (ex-motors) show annual increase of 6.3% in February** – The latest seasonally adjusted retail sales report published by the Central Statistics Office shows that retail sales volumes increased in February by 6.3% compared to February 2017 excluding Motor Trades but by only 2% including motor sales.

**German unemployment falls to new post-reunification low** – The Federal Employment Agency reported that the seasonally adjusted unemployment rate declined to 5.3% in March from February's 5.4%, recording its lowest level since German reunification in 1990, the labour market strengthened by a consumer-led upswing.

**Global stock market up 1.7% on the week** – The MSCI AC World TR Index showed a 1.67% rise from 23rd March to 30th March, as concerns reduced early in the week about a global trade war and U.S. growth in Q4 2017 was revised higher. The CBOE Volatility Index (or Vix) closed the week at 19.97, down from 24.87.

**U.S. fourth-quarter growth surprises with revision to 2.9%** – The Commerce Department reported that GDP grew at a 2.9% annualised rate in Q4 2017, instead of the previously reported 2.5% but compared to 3.2% in Q3. Economists polled by Reuters had expected that Q4 GDP growth would be revised to 2.7%.

**U.K. household spending in 2017 grows at lowest rate in six years** – The Office for National Statistics reported that household spending growth fell to 1.7%, which was the lowest annual growth since 2011 squeezed by Brexit-fuelled inflation and despite a large rise in borrowing and record drop in family savings.

**Saudi Arabia and Russia engage in 'unparalleled' oil deal** – Saudi Arabia and Russia were reported to be engaging in an unprecedented long-term pact to extend controls over major oil exports for decades to come while the Secretary General of OPEC, Mohammad Barkindo, said it is also working on a "very long-term" deal.

**The Story of the week:** A vending machine that dispenses cars? Yes, it's available in China at the Super Test-Drive Centre in Guangzhou where Ford and Alibaba have joined up to build the vending machine to enable potential customers to try out their favorite model before buying. It has a capacity of 42 cars that are “dropped down” to the customer when the user pays a fee using their Alibaba app and shares a selfie. Customers can pick from 10 models including the Explorer and the U.S. imported Mustang. They get three days to try out the car before return is due.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 30/03)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-1.7
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-5.8
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-6.9
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-3.8
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	-0.8
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	2.3
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-5.8
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	0.4
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.2
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	2.7
German	1.9	0.5	0.6	0.2	0.4	0.5
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.9
Italy	4.1	2.1	1.6	1.8	2.0	1.8
Greece	8.2	9.6	7.9	7.1	4.1	4.3
Portugal	6.1	2.7	2.5	3.8	1.9	1.6
Spain	4.1	1.6	1.7	1.4	1.6	1.2
<b>Central Bank Rates (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
<b>Foreign Exchange Rates</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.41
<b>IPD All Property Return % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

\*Past performance is not a reliable guide to future performance